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MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY

July 17, 1946 - - - - - 10:30 A.M.

Presents: The Secretary of State
 The Secretary of War, accompanied by
 Colonel McCarthy
 The Acting Secretary of the Navy, Mr. Sullivan,
 accompanied by Captain Dennison

 Mr. Hickerson

The meeting was divided into two parts. During the first part of the meeting, Admiral Leahy was present so that the meeting constituted an informal session of the National Intelligence Authority. General Vandenberg, Director of the Central Intelligence Group and Mr. James Lay of the Intelligence Authority were also present. Dr. William Langer, Special Assistant to the Secretary of State in charge of Research and Intelligence, participated in the first part of the meeting.

Mr. Byrnes asked General Vandenberg to open the discussion. General Vandenberg stated that it would be realized that he had only recently taken over the position of Director, and that he was striving hard to get the C.I.G. set up and operating as quickly as possible in such a way as to perform the duties visualized in the President's order. He read several recommendations of his predecessor, Admiral Sowers, among them a recommendation that C.I.G. be constituted in pursuance of legislative authority and that it have an operating budget adequate for the performance of its functions. Mr. Byrnes said that he thought that it had been decided not to ask for a separate budget for C.I.G. He added that in his opinion it would be preferable for the three Departments to make funds or personnel available to C.I.G. to the extent possible; he went on to say that this would attract less attention and be the target for less foreign propaganda than would be the case if all of the activities of C.I.G. were covered by a separate budget which would necessarily be public. There followed a brief informal discussion of the advantages and disadvantages of the two courses. Mr. Byrnes stated that with Congress on the point of adjourning, it was manifestly impossible to expect

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enactment of legislation dealing with C.I.G. at this time and that it would therefore be inadvisable to introduce such legislation now. It was agreed that it would be advisable to defer any recommendations to Congress until session opening next January.

General Vandenberg stressed the fact that he is up against the proposition that he has been asked to do a job and he has insufficient funds and personnel available to accomplish this job. He said that the War Department is making available about eleven million dollars to C.I.G. this year; the Navy Department is providing about four hundred thousand and the Department of State about one hundred and seventy-five thousand. General Vandenberg said that this leaves a shortage of about ten million dollars for the current year. There was a general discussion of the delays and difficulties in connection with the transfer of personnel from one of the three Departments to C.I.G. Mr. Byrnes undertook to get in touch with the Acting Director of the Budget and asked him to detail an officer to try to work out a method whereby the three Departments can, by making available personnel or funds, meet the C.I.G.'s needs, as they may be approved by the National Intelligence Authority.

Admiral Leahy stated that he felt that everyone present would be interest in hearing the President's views on the subject of intelligence as communicated to him in a conversation this morning. Admiral Leahy said that the President stated that the National Intelligence Authority has the responsibility for collection of intelligence; the President expects to look to the National Intelligence Authority for the performance of this task and to hold them responsible for it. The Director of C.I.G. carries out the orders of the National Intelligence Authority and the President expects to deal only with the NIA in regard to intelligence and to hold NIA responsible for the work done by the C.I.G.

General Vandenberg discussed briefly some of the operations of C.I.G. He said that it had taken over the radio monitoring formerly done by FBIS. He said that he has been considering the question of whether C.I.G. should not perform some duties for the three Departments in connection with codes and ciphers. He said that nobody seems to be monitoring clear messages in relation to codes and that the codes of the three Departments may therefore be in danger of being compromised. He said that he has been giving some consideration to the exchange of intelligence with the British, adding that the War Department is worried about a tendency to hold back somewhat in the exchange for bargaining purposes.

General Vandenberg distributed copies of a chart showing the proposed organization of C.I.G. This chart calls for four main sections of the organization: Special Operations (clandestine); Collection; Research and Evaluation; and Dissemination.

The first part of the meeting ended with the understanding that the NIA would consider further the needs of General Vandenberg's organization after Secretary Byrnes had talked to the Budget Bureau along the lines mentioned above. At this point Admiral Leahy, General Vandenberg, Dr. Langer and Mr. Lay left the meeting.

[Here follows material unrelated to intelligence.]

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